



Rural Urban Development Initiatives

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COMPETE
The Competitiveness and Trade Expansion Program

I. General Information

Grant Agreement No.: RUD – STA- 008

Grantee Institution: Rural Urban Development Initiatives (RUDI)

Project Title: Expansion of Warehouse Receipt Programs for rice and maize in Kilombero, Iringa Rural and Handeni districts of Tanzania

Type of report: Quarterly

Period covered by this report: From 1st July 2011 to 30th September 2011.

II. Background

USAID-COMPETE PARTNER FUNDING SUPPORT TO RUDI

July to September 2011 report

This report from Rural Urban Development Initiatives (RUDI) is for the 3rd for 2011 covering USAID COMPETE support to RUDI for 2 years period. The report covers the activities achieved during the quarter.

Project overview

RUDI is implementing two years project on Warehouse expansion in three districts of Tanzania – Iringa Rural, Handeni and Kilombero. The project is funded by USAID COMPETE.

III Executive summary

The primary objective of the COMPETE grant to RUDI is to assist smallholder rice and maize farmers in three districts of Tanzania – Iringa Rural, Kilombero and Handeni. The grant aims at assisting three Associations in the three districts to establish collective marketing through WRS, procuring milling equipment and convert paddy to milled rice and maize to flour at the source. This is expected to lead to a tripling in the value of the milled rice/flour and contribute to better returns to the farmers. This activity also assists the finished rice/flour product to be traded across the region without further transport to a processor.

Table 1: Summary of warehouses supported by the project September 30, 2011

No.	Warehouse/Group	Membership		Stock in the warehouse in tons by Sept 30, 2011
		Total	Women	
1.	Mangalali	105	39	44
2.	Lumuli	157	67	40.3
3.	Magubike	153	45	45
4.	Idodi (machines)	315	116	7
Subtotal		730	267	136.5
5.	Mbingu	104	35	70
6.	Mang'ula, in "A" (Machines)	107	46	141
7.	Mkasu (Machines)	234	102	60
8.	Vijana Mbasa (Machines)	45	20	30
SUB TOTAL		490	203	301
9.	Amani	300	172	180
10.	Suwa	135	65	100
SUB TOTAL		435	237	280
GRAND TOTAL		1,655	707	717

Activities carried during the third quarter July to September 30, 2011

Based on our grant agreement implementation timeline, the project accomplished the following activities over the past three months: July to September 2011

s/n	Activities	Activity Status
1	Assess progress made by Associations supported by USAID COMPETE	RUDI CEO visited Associations supported by the project in Iringa – Mangalali, Magubike and Lumuli. Discuss challenges and develop plans with Association leaders and members. Total number of participants: 106 (51 F) in Lumuli, 67 (23 f) Lumuli and 88 (45 F) in Mangalali.
2	Roundtable discussion between Apex leaders and buyers.	During the month Smart Logistics Director Rose Mutuku visited Associations supported by COMPETE project with the aim of developing and sign MOU with the Associations. Unfortunately the government has announced export ban to grain to December 2011. RUDI market person visited the buyers in major markets in Dar es Salaam. They want samples of rice and flour before signing the contract. When operation starts we will supply the samples to the buyers in Dar es Salaam and other markets.
3	Training business operators for warehouse supported by the project	Warehouse committee of 5 people and Associations Executive Committee (4) from all warehouses supported by the project received training. Total: 54
4	Training on grades and standards in Magubike, Limuli and Mbingu	Magubike 43 (14 F), Limuli 49 (29 F), Mbingu 150(68 F) received training on standards. Trainer: Shaimwene Ndongole, venue Mbingu village, Francis Boma : Venue: Limuli and Magubike village warehouses
5	Analyze/Collect daily price information	Consultant continues to collect daily price information for rice and maize from urban Dar es Salaam markets and disseminate the information to all warehouse managers by sms
6	Training on EAC grain standards Limuli Magubike Amani Suwa and Mbingu	Training on Trainers conducted to selected members of SUWA and Amani Associations Amani 50 (17 F), Suwa 50 (24 F) Lumuli 40 (23 F), Magubike 48, (21 F), Mbingu 79 (32 F)
7	Training maize drying procedures Amani Suwa	Training on trainers on drying maize procedures conducted to SUWA 48 (21 F), AMANI 53 (33 F). Trainer William Riwa. Venue: Amani and

		SUWA warehouses.
8	Access to credit Amani, Suwa ,Mangalali, Limuli and Magubike	Trainer: Peter Mashingia; SUWA 30 (5 F) Amani 50 (21 F), Mangalali 55 (23 F), Lumuli 50 (21 F) Magubike 21 (7 F)
9	Training paddy post harvest management(Rice drying procedures)	Trainer: Ndondole Venue: Mkwangawalo, Mchombe, Igima, Mngeta villages: farmers from these Associations will deposit their rice in Mbingu warehouse. Total: 355 (133 F)
10	Specialized technical training on proper record keeping on milling machines	Training conducted to milling machine/warehouse committee members of Amani 12 (5 F), SUWA 12, (6 F), Mang'ula "A" 14 (5 F), Vijana Mbasu 12 (4 F), Mbingu 13 (5 F)
11	Conduct strategic planning training in Limuli, Magubike, Mangalali Amani, Suwa.	The training is still going on
12	Awareness on government farmers support program: Suwa Mangalali, Amani, Magubike and Limuli	The awareness program is still going on
13	Conduct strategic planning to Mangalali, Magubike and Lumuli Associations	3 years Strategic planning for Mangalali, Magubike and Lumuli was conducted. After the training the Associations leaders were assisted to develop 3 years strategic planning. Total number of participants: Lumuli, Mangalali and Lumuli 114. Amani:
14	Training on Access to credit	During the quarter the financial Consultant continue to train USAID COMPETE assisted farmers on how to access credit to SUWA, Amani, Magubike, Mangalali and Lumuli Associations. During the training farmers were sensitized on how to access credit from various institutions such as Banks, Saccos, private individuals etc. The trainees were also enlightened on how to calculate the interest rates as well as analyzing risks involved in borrowing. The trainees were also brought bank officials to discuss the types of loan available for small farmers.

15	Analyze/Collect daily price information	Consultant continues to collect daily price information for rice and maize from urban Dar es Salaam markets and disseminate the information to all warehouse managers by sms
16	Cont. awareness on government farmers support program	Cont awareness training to Suwa Mangalali, Amani, Magubike and Limuli Participants: Amani{ 150, SUWA 150
17	Exchange visit to Kilimanjaro Agriculture Rice Training Center	15 farmers visited the center to learn on appropriate drying methods and post harvesting handling.
18	Preparation of milling Business machines	Consultant Anthon Chawanga prepared Business milling machines for paddy and maize
19	Repair warehouses for Mbingu, Lumuli, Magubike, and Lumuli	Repair made and the machine building completed
20	Make pallets for Lumuli and Magubike	Pallets made for Lumuli and Magubike warehouses-
21	Purchase milling machine for Mbingu, Mangalali and SUWA	Machines purchased
21	Purchase 3 pieces of moisture meters	SUWA, Magubike and Lumuli
22	Monitor COMPETE field activities with communication team - rudi	Mang'ula milling machine
23	Purchase 3 pieces of weighing scales	Magubike, Lumuli and Amani
24	Purchase 12 fire extinguishers	Mangalali, Magubike, Lumuli, Amani and SUWA
25	Purchase 12 pieces of portable sticking machines	SUWA, Mangalali, Mang'ula, Mkasu
26	Purchase 13,827 polythene bags	SUWA, Mangalali, Amani, Lumuli, Magubike and Mbingu

Launching Mang'ula warehouse



USAID Tanzania Mission Director and USAID COMPETE Humphrey Stephen are signing visitor's book at Mang'ula



Status of the installation of milling machine:

s/n	Association name	Status	District	Expected date to start operation
1	Mang'ula "A" (rice)	Completed	Kilombero	
2	Mkasu (rice)	Machine has been installed. Waiting for electricity	Kilombero	Mid October 2011
3	Ifakara (rice)	Completed.	Kilombero	
4	Mbingu (rice)	Completed	Kilombero	
5	Idodi (rice)	Completed	Iringa Rural	
6	Mangalali (maize)	Completed.	Iringa Rural	
7	Suwa (maize)	Waiting for electricity	Handeni	End of October

Mkula Irrigation scheme in Mang'ula.



Lessons learnt

The installation of the milling machines took more time than earlier expected. Farmer's contribution took time, very few qualified engineers available, and power utility has no enough installation engineers.

Main achievements

- i) RUDI managed to identify a private company which was gave loan to Iringa and Handeni Associations after failing to get loan from Stanbic. Community Re-investment Grants Trust (CRGT) approved a loan of Tshs 120,000 for our Associations.
- ii) After the installation of the milling machines other Partners decided to assist the Associations. Tanzania Warehouse Licensing Board is going to expand Mang'ula warehouse while World Vision is going to build big warehouse for SUWA Association.
- iii) Membership increased after the Associations started a business of milling machines.
- iv) Mang'ula has become a learning Center for most of organizations. They receive daily visitors to learn about the business of milling machines. In spite of creating jobs in rural areas the Associations are making money. In Mang'ula they milled 4,527 kgs in June, 20,290 in July, 32,774 in August and 38,529 in September. Total 124,972
- v) RUDI started training farmers using Cinema vehicle which will is expected to increase the number of trainees. In Mang'ula 1,600 farmers attended the cinema post harvesting training.

Main challenges

- i) Unexpected rise in prices: During the quarter the prices for grain increased tremendously. Farmers are unwilling to store their commodity in the warehouse. It affects our program since financial institutions have approved the loan and farmers are no longer interested in the loan.
- ii) Process for getting loan from Stanbic bank took quite a long time. After waiting for four months we decided to link our farmers to other private financial institutions at an interest of 15%.
- iii) Export ban is still a problem. Farmers had secured markets in Nairobi but they could not deliver due to export ban
- iv) Power fluctuations are affecting the operation of milling machines.

